GOVERNMENT OF INDIA
SOCIAL JUSTICE AND EMPOWERMENT
LOK SABHA

UNSTARRED QUESTION NO:3986
ANSWERED ON:14.12.2001
OASIS COMMITTEE
A.K. PREMAJAM

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

(a) whether `Oassis` Committee dealing with old age security of investments and savings of involved Ministries at the Centre recommended handling over of the Pension funds to Private fund Managers to make them less of a burden on the Government;

(b) if so, whether the Government propose to invest a part of the corpus in the share market to bring higher returns;

(c) if so, whether the Government recently reduced interest returns of Provident Funds by 1.5% in anticipation of making more capital available in the market; and

(c) if so, the details thereof?

Answer

THE MINISTER OF SOCIAL JUSTICE AND EMPOWERMENT (DR. SATYANARAYAN JATIYA)

(a) No Sir.

(b) Does not arise.

(c) & (d) As indicated by Ministry of Finance, the real rates of interest on PPF/EPFetc. were considered to be high preventing the downward movement of other rates of interest in the economy. Therefore, most of the administered rates including the interest rates on PPF, EPF etc. were reduced from 11% to 9.5% with effect from 1st April, 2001. Even now, the risk-return equation of savings in the public Provident Fund continues to be attractive given the tax benefits, liquidity and implicit sovereign guarantee